

**PUYALLUP SCHOOL DISTRICT No. 3**  
**Pierce County, Washington**  
**September 1, 1991 Through August 31, 1992**

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**Schedule Of Findings**

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1. U.S. Department Of Agriculture National School Lunch Program (CFDA 10.553/.555) Applications Should Be Properly Verified

The district is required to perform an annual sample of the applications for participation in the free and reduced school lunch program. The following weaknesses were noted in the sample process:

- a. The population from which the sample is to be chosen is determined by keeping a cumulative total of approved applications so far during the year. There is no detail of the population either by name or assigned number.
- b. The district can choose one of the two sampling methods. The district chose to perform a random sample. There is no evidence that the sample was chosen randomly; it appears the staff judgmentally chose applications to sample.
- c. For those families approved for program participation based on income, the income documentation was for pay periods up to five months prior to the sample.

U.S. Department of Agriculture publication *Eligibility Guidance for School Meals Manual*, dated August 1991, page 42, requires the annual sample to be based on the total number of approved applications on file on October 31. If the school food authority chooses random sampling, a random selection procedure must be used. By not maintaining records of the population or the random selection process, it appears a random selection was not performed.

The USDA manual, page 49, also requires household income verification to be the most recent month available. Of the 15 applications sampled for income eligibility in the October 1991 sample, seven applications were considered eligible based on pay documentation that was for the period prior to September 1991.

The district receives some income verification when families apply for the program. The district did not feel additional verification only a few months after the original verification was required.

We recommend the district establish procedures to ensure the October 31 population of applications and random sample selection procedures be well documented and retained for audit. We also recommend the district ensure recent income documentation is obtained for those applications chosen in the sample.